
WISCONSIN MEDICAID UPDATE

JULY 31, 1996

UPDATE 96-27

TO:
Home Health Agencies

Home Health Services: Reimbursement and Recipient Information Confidentiality

Reimbursement beginning June 29, 1996

Changes in home health reimbursement

1995 Wisconsin Act 457 changes the Medicaid reimbursement methodology for home health services.

Effective for dates of services on and after June 29, 1996, reimbursement for home health services is based on the *lesser* of the following:

1. Medicaid maximum allowable fee
2. the agency's usual and customary charge

Attachment 1 contains the Home Health Services Terms of Reimbursement stating the new limits on reimbursement.

All home health services subject to Medicaid maximum allowable fees

Medicaid maximum allowable fees are:

- skilled nursing \$78.50/visit
(W9925, W9930, W9940)

- medication management \$37.00/visit
(W9932)
- home health aide \$37.00/visit
(W9931, W9941)
- physical therapy \$75.00/visit
(W9919)
- occupational therapy \$77.00/visit
(W9920)
- speech & language
pathology \$79.50/visit
(W9921)

Continue billing your usual and customary charge

When billing Wisconsin Medicaid, continue to bill your usual and customary charge for the service. When claims for home health services are processed, Wisconsin Medicaid will reimburse you the lesser of your usual and customary charge or the maximum allowable fee.

All claims paid for dates of service on and after June 29, 1996, are based on the lesser of the Medicaid maximum allowable fee or your usual and customary charge.

Reimbursement for dates of service between and including August 1, 1995, and June 28, 1996

For services provided on the dates between and including August 1, 1995, and June 28, 1996, all policies and procedures that were in effect for those dates apply. For the reimbursement methodology, policies, and procedures, refer to *Update 95-49* and the letter summarizing these policies that you received from Wisconsin Medicaid dated April 26, 1996.

In the letter dated April 26, 1996, you were notified that rates were recalculated for dates of services between and including August 1, 1995, and June 30, 1996. (1995 Wisconsin Act 457 changes the reimbursement methodology beginning June 29, 1996. Therefore, the rate recalculation will be effective through June 28, 1996 only.)

- The claims processing system automatically began paying the recalculated rates on May 10, 1996.
- For claims received by EDS before May 10, 1996, Wisconsin Medicaid will make adjustments to reflect the revised reimbursement limits. These adjustments will be done after August 1, 1996.
- After June 28, 1996, the claims processing system automatically pays based on the reimbursement methodology specified in Act 457.

Reminder of recipient's right to confidentiality

As a reminder, you must usually obtain explicit permission from a recipient (or a guardian of an incompetent recipient or

Sources for information regarding recipient confidentiality...

- ✓ Federal Social Security Act
Section 1902 (a) (7) provides safeguards which restrict the use or disclosure of information concerning recipients to purposes directly connected with the administration of the program.
- ✓ Federal regulations
42 CFR (Code of Federal Regulations), Part 431, Subpart F, provides rules for safeguarding information on applicants and recipients.

42 CFR (Code of Federal Regulations) 484.10 (d) (Medicare Conditions of Participation) states that information about recipients shall be confidential.
- ✓ Wisconsin Statutes
Sections 49.45 (4) and 146.82 state that information about recipients shall be confidential.

Sections 49.53 (1m) and 146.84(2) address penalties and sanctions for violation of recipient confidentiality.
- ✓ Wisconsin Administrative Code
HSS 104.01(3) and HSS 133.08(2)(f) state that information about recipients shall be confidential.

parent of a minor recipient) before releasing personal information about the recipient to an outside source. A provider who does not obtain such permission is in violation of state and federal law. This does *not* prohibit health care professionals from sharing information between themselves for the ongoing provision of health care services.

A Medicaid recipient has the right to have personal information safeguarded. Every provider must protect that right. Therefore, providers must not use or disclose any information concerning Medicaid applicants and recipients for any purposes not connected with the administration of the Medicaid program. The recipient (or a guardian of an incompetent recipient or parent of a minor

recipient) must authorize any other use or disclosure.

Providers may release records and information regarding a recipient only when one of the following apply:

- authorization in writing by a recipient (or a guardian of an incompetent recipient or parent of a minor recipient)
- court order
- direct relation to administration of the Medicaid program (including contacts with third party payers that are necessary for pursuing third party payment)
- ongoing provision of health care services
- other reasons as stated in Section 146.82, Wis. Stats.

Violation of recipient confidentiality may result in possible sanctions or penalties. The Department of Health and Family Services (DHFS) may impose any of the intermediate sanctions specified under HSS 106.08(3), Wis. Admin. Code.

Also, DHFS may suspend or terminate Medicaid certification of a provider for the following reason.

"The provider has repeatedly and knowingly failed or refused to comply with federal or state statutes, rules or regulations applicable to the delivery of, or billing for, services under the program."

[HSS 106.06 (1), Wis. Admin. Code]

Violation of recipient confidentiality may also result in criminal penalties, including possible fine or imprisonment.

Refer to page A4-007 in Part A, the all-provider handbook, for more information on recipient confidentiality.

What's new...

Wisconsin Medicaid is in the Department of Health and Family Services (DHFS) formerly known as the Department of Health and Social Services.

If you happen to be out "surfing" the Internet and feel like visiting the DHFS Web site, you can find it at this address:

<http://www.dhfs.state.wi.us/>

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Attachment 1

**HOME HEALTH SERVICES PROVIDED BY HOME HEALTH AGENCIES
TERMS OF REIMBURSEMENT**

The Department will establish maximum allowable fees for all covered home health services provided to Wisconsin Medicaid recipients eligible on the date of service. The maximum allowable fees shall be based on various factors, including: an analysis of Medicare cost reports, the Wisconsin State Legislature's Medicaid budgetary constraints, and other relevant economic limitations. Maximum allowable fees may be adjusted to reflect reimbursement limits or limits on the availability of federal funding as specified in federal law.

Providers are required to bill their usual and customary charges for services provided. The usual and customary charge is the amount charged by the provider for the same service when provided to non-Medicaid patients. For providers using a sliding fee scale for specific services, the usual and customary charge is the median of the individual provider's charge for the service when provided to non-Medicaid patients.

For each covered service, the Department shall pay the lesser of a provider's usual and customary charge, or the maximum allowable fee established by the Department. Medicaid reimbursement, less appropriate copayments and payments by other insurers, will be considered to be payment in full.

The Department will adjust payments made to providers to reflect the amounts of any allowable copayments which the providers are required to collect pursuant to Chapter 49, Wisconsin Statutes.

Payments for deductible and coinsurance payable on an assigned Medicare claim shall be made in accordance with Section 49.46(2)(c), Wisconsin Statutes.

In accordance with federal regulations contained in 42 CFR 447.205, the Department will provide public notice in advance of the effective date of any significant proposed change in its methods and standards for setting maximum allowable fees for services.

Applicable Provider Type(s): 44

Effective Date: June 29, 1996